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**USTR Zoellick to Attend Key Meetings in Geneva July 27 – 28 To Advance  
Doha Negotiations**

***World Has Strategic Economic Opportunity To Advance Development with Farm, Goods, and  
Services Trade Liberalization***

WASHINGTON - U.S. Trade Representative Robert B. Zoellick will participate in meetings this week in Geneva, Switzerland, to seek to develop the frameworks necessary to get the World Trade Organization (WTO) Doha negotiations back on track, so as to be able to achieve ambitious and historic reform in agriculture, goods and services trade.

“Our goal now is to get back to where we should have been at Cancun by developing the frameworks to reactivate the negotiations. We have a strategic economic opportunity to combine an upswing in growth with more open global markets, so as to deepen, broaden, and extend the growth in a way that promotes development. In particular, we can point the negotiations towards ambitious reform goals in agriculture, goods, and services,” said Zoellick. “Many countries now seem to appreciate that Cancun was a missed opportunity, not a success. But we still have many hurdles to clear. With 147 players in the WTO, achieving consensus is a tall order. We must focus on narrowing the tasks step by step and assuring that there is the appropriate balance.”

“The recent overwhelming support in Congress for top-notch FTAs with Australia and Morocco shows that America is committed to opening markets and contributing to global economic growth and development. The U.S. has offered to make substantial cuts in farm subsidies -- but only if other countries also cut their subsidies and open markets,” said Zoellick. “The United States will work with others to find solutions to problems and to develop creative ways to address the concerns of others. For example, we have worked to complement the EU’s offer to eliminate export subsidies by removing the subsidy element in our food export credit programs. But we will not accept a deal to put the round back on track simply for the sake of a deal. To live up to the promise of Doha, there must be substantial new openings for trade in agriculture, goods and services.”

**Background:**

The United States is focused on opening markets globally, regionally, and bilaterally. Zoellick stated in a January letter to all WTO Ministers that 2004 should not be a lost year for Doha negotiations. The January letter also outlined ways to put the negotiations back on track, and a

number of ideas have been taken up by others. In February, he traveled over 32,000 miles around the world and met with over 40 counterparts to hear their views and discuss how best to get the negotiations back on track. In May, Zoellick hosted a small gathering of colleagues in London to facilitate a discussion about how to keep the Doha negotiations moving forward. He joined Ministers from the EU, India and Australia at a gathering hosted by Brazil in Sao Paulo in early June. He also joined these colleagues at a meeting in Paris and then traveled to Mauritius on July 12 for a meeting of some of the so-called G-90, a group of ACP (African, Caribbean and Pacific), and African Union, and Least Developed Countries. Yesterday, Zoellick met with the Ministers of four West African nations (Benin; Burkino Faso; Chad; and, Mali) concerned with cotton trade issues. They were in the U.S. on a working visit hosted by the U.S. Department of Agriculture and the National Cotton Council to meet with U.S. farmers and members of the private sector to focus on cotton diversification and development efforts.

Within the Doha negotiations, the United States was the first WTO member to put forward a comprehensive agricultural trade reform proposal, calling for elimination of export subsidies, cuts of \$100 billion in annual allowed global trade-distorting domestic subsidies, and lowering average allowed global tariffs from 62 percent to 15 percent. The United States also proposed that WTO members agree in this negotiation to a specific date for elimination of agricultural tariffs and trade-distorting domestic support.

The United States proposed eliminating all tariffs on consumer and industrial goods by 2015. The U.S. plan for zero tariffs is comprehensive, would benefit both developed and developing nations, and would eliminate tariffs on the over \$6 trillion in annual world goods trade, lifting the economic fortunes of workers, families, businesses, and consumers. A University of Michigan study estimates that global free trade in goods and services would raise U.S. annual income by \$500 billion as a result of tariff-free trade -- contributing to higher paying jobs. The same study found gains of up to \$690 billion for the EU and EFTA together (Western Europe).

According to the World Bank, developing countries would gain nearly two-thirds of the benefit from global free trade in goods including agriculture. Their increase in annual income would amount to \$539 billion. The bank further found that free trade could help lift 300 million people out of poverty -- a number greater than the entire population of the United States.

### **Regional and bilateral efforts:**

The U.S. Congress recently approved free trade agreements with Australia and Morocco by wide margins (Australia passed the House 314 to 109 and the Senate 80 to 16; Morocco passed the House 323 to 99 and the Senate 85 to 13).

In addition, Congress also recently passed the African Growth and Opportunity Act (AGOA) Acceleration Act, a duty-free preference program designed to promote economic development in sub-Saharan Africa's by expanding access to the U.S. market.

This Administration has completed free trade agreements with 12 countries: Chile, Jordan, Singapore, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Australia, Morocco, the Dominican Republic, and Bahrain. The United States is currently negotiating free trade agreements with ten more nations: Panama, Colombia, Ecuador, Peru, Thailand, and with the

five nations of the Southern African Customs Union (SACU), Botswana, South Africa, Lesotho, Swaziland, and Namibia.

New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world.

In addition, the United States and Brazil are co-chairs of the Free Trade Area of the Americas (FTAA) negotiations, which remain a U.S. priority.

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